

North Dakota's reservists. Per capita, no State has more citizens in the National Guard, and today no State has more Guard personnel mobilized. According to the Associated Press, 36 of every 10,000 North Dakotans age 18 or older served on active duty with the Guard or Reserve during this conflict. Eight hundred members of the North Dakota Army National Guard are still deployed in Iraq.

Nearly every city and town in my State has felt the impact of an Army National Guard unit activation, including Fargo, Lisbon, Bismarck, Grand Forks, Edgeley, Grafton, Devils Lake, Rugby, Bottineau, Wishek, Cando, Carrington, Mayville, Oakes, and Wahpeton. And the loss of SP Fettig, whose family lives in Dickinson, brings home the fact that many volunteers from units in other communities stepped forward to fill vacancies in units deploying overseas. Now some of these communities are further scarred by their losses.

Today, millions of people across Iraq and America are hearing the news of the death of the two brutal sons of Saddam Hussein, fully complicit in the crimes of his regime. Hopefully this victory will help us along the road to true peace and stability in Iraq. But there are surely still many tough days ahead. The success of this difficult work depends on the commitment and sacrifice of thousands of individuals like SP Fettig, men and women willing to give their all for the good of their Nation and their world. To all those who serve, I offer my heartfelt thanks. To the friends and family of Jon Fettig and all those whose service extends to the ultimate sacrifice, I can only offer the condolences, thanks, and prayers of a grateful Nation.

GREENSPAN 180

Mr. BUNNING. Mr. President, I want to share with my fellow colleagues an article written today by Larry Kudlow for National Review Online concerning Chairman Greenspan's detrimental effect on the bond market.

Mr. Kudlow very clearly points out how Chairman Greenspan once again usurped his monetary role as Chairman of the Federal Reserve by doing a complete rhetorical 180 on deflationary pressures. As a result of the Chairman's verbal roller coaster ride, the bond market is trading at 4.2 percent compared to 3.1 percent in mid-June, the worst bond market price rout in 9 years.

Many people in Congress and throughout the business world blindly follow and trust Chairman Greenspan. I have never and will never wear this blindfold. This is just another in a long line of examples where Mr. Greenspan oversteps his bounds and causes economic malaise.

I ask unanimous consent to print the article in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

This past spring Maestro Alan Greenspan issued official Federal Reserve statements that deflationary declines in the prices of goods and services people buy was the nation's top economic danger. Consequently, he said his Fed might make special purchases of Treasury bonds in order to pump new money into the economy, and get bond rates lower to stimulate investment.

But last week, in congressional testimony, Maestro G changed his tune. Totally. Completely. Utterly. Suddenly he said that next year's economy would be strong, and that this revival would begin in the second half of this year. Hence, his new thinking goes, deflation is apparently not a threat and there's no need to add liquidity through special bond purchases.

That's right. According to our Fed chairman, we've gone from deflation to reflation lickety-split. If someone from the CIA—after reading documents from Niger—had pulled this 180, they'd be forced to take a lie-detector test.

But what about the bond traders who trusted Greenspan and stocked up on Treasuries for future sales to the Fed? Said traders got their brains beaten in. Blindsided by Greenspan's policy reversal, bond traders were forced to sell heavily. Now the 10-year Treasury is trading at 4.2 percent compared to 3.1 percent in mid-June, the worst bond-market price rout in nine years.

Fortunately, at mid-year 2003, the whole deflation shtick has turned out to be a mirage, though Greenspan was unable to fathom this since late last year. The dollar's value in relation to the prices of gold, commodities, and foreign currencies has declined sufficiently to remove deflation as a real threat. There are no Japanese-style catastrophes looming out there.

And believe it or not, there is a silver lining to this Treasury travail. A stronger outlook for economic growth—from prior Fed money-creating and the newly enacted Bush tax-cut plan—has driven up the real-interest-rate component of the 10-year Treasury (not the inflation premium) by roughly a full percentage point. So, interest rates—which had been heading down for three years—are moving up.

This is meaningful. More normal interest-rate levels send a signal to consumers and investors that it is time to push the button on new purchases or new capital commitments. In fact a lot of folks will be rushing to beat the next group of rate hikes.

Of course, Maestro G himself told Congress that it is unlikely the central bank will tighten in our lifetime. But can anybody believe this guy anymore?

That aside, with supply-side tax cuts kicking in, there's all the more reason for Americans to start spending and investing right now. Stock market traders, who may be less guillible than bond traders, seem to have known this for some time. Since March equity markets have skyrocketed over 20 percent.

Democrats may be howling about false reports of uranium from Niger and big budget deficits from Washington, but these will be non-starter issues in next year's presidential election. The stock market crowd knows a peace-and-prosperity election landslide when they see one. The guys in the stock trading pits have also figured out that anytime taxes on investment are cut, more investment will quickly follow. While bondland has been hemorrhaging, equityland has fully understood an age-old axiom: When you slash marginal tax rates, you always get higher asset values and more powerful economic recovery.

Watching Britain's Tony Blair standing resolute and tall in the saddle next to George W. Bush, it's pretty clear that a bunch of

ankle-biting Democrats won't deter the age-old Anglo-American partnership in their just quest to bring freedom and liberty to the Middle East (and elsewhere). If liberal critics would unlock their eyeballs for just a nanosecond, they would clearly see that the Bush/Blair axis of freedom is causing peace dominos to fall throughout the Arab region. Rather than a McGovernite quagmire in Vietnam, the prospect for free elections and free enterprise looks better today as a result of the application of force in the defense of liberty than at any time in the last 700 years.

At home, low-tax free enterprise is also gathering force. There has never been a major upturn in the stock market or the economy without broad-based tax cuts. President Bush has delivered—as promised—and this country's entrepreneurial and ownership-oriented investor class is rightly looking to much better times ahead.

As for the bond-bungling Greenspan, perhaps the 77-year-old Fed chairman will take a page from the book of Citigroup Chairman Sandy Weill, who recently chose a successor and then gracefully announced retirement at age 70. As usual, the private sector is way ahead of government.

AMAZING GRACE ON THE SEAS

Mr. HOLLINGS. Mr. President, earlier this month, newlyweds Walt and Donyelle Wilkins from Greenville, SC, were on their way to their honeymoon, when the small plane they were on crashed into the ocean. Because of their quick action and disregard for personal safety, they saved the lives of two young children, also passengers on the plane. I rise to salute this couple, and to thank them for their true heroism.

Walt and Donyelle were married in Charleston two Saturdays ago. The day after the wedding the couple took off from Ft. Lauderdale, heading to the Bahamas, when the plane crashed into the open sea. After assisting others out of the sinking plane and distributing life jackets, Walt jumped into the rough sea without a life jacket and swam to others, assisting them in inflating their jackets, while Donyelle held an infant above the waves.

After the parents of the infant were located in the water the child was passed to them so that Walt and Donyelle could assist two small children whose mother had just drowned. Several of the surviving passengers decided to attempt to swim to the nearest land some six miles away. But Walt and Donyelle stayed with the young children, keeping their heads above the waters and calming them by singing "Amazing Grace." Approximately 2 hours later, they were rescued by a Coast Guard helicopter.

The children are alive today because of the Wilkins' amazing grace under threats no one should ever have to face. I speak for all my colleagues in wishing the young couple a long and happy life together.

LOCAL LAW ENFORCEMENT ACT OF 2003

Mr. SMITH. Mr. President, I rise today to speak about the need for hate